REPORT OF THE WASTE REDUCTION AND PREVENTION COMMITTEE ON OLD NEWSPAPER (ONP)

Submitted to:

The Honourable J. Glen Cummings
Minister of Environment, Province of Manitoba

April 1991

WRAP Series 1991
Priority Material — Paper

W R P

Waste Reduction and Prevention

The views expressed in this report are those of the Committee representatives. The publication of this report by Manitoba Environment does not constitute acceptance or endorsement of any or all of the recommendations it contains. As part of the WRAP process, Manitoba Environment has facilitated the development of this report so that further consultation can proceed to develop a WRAP Action Plan for approval by the Minister of Environment.

For additional information on the WRAP Committee Process and other WRAP Committees, contact:

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April 15, 1991

Honourable J. Glen Cummings
Minister of Environment
Room 344, Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Cummings:

We respectfully submit the final draft of the report of the Waste Reduction and Prevention Committee on Old Newspaper. The report represents a consensus position and reflects the views of the representative newspaper companies and Community Newspaper Association. The initiatives to be undertaken by the newspaper industry are outlined and an approach has been developed to increase the recovery of old newspaper in Manitoba that is consistent with the provincial objective to reduce waste by 50% by the year 2000.

In the current economic climate, we encourage the process of taking controlled steps in a positive direction to the ultimate long term solution. All affected stakeholders must continue working together to evolve the best solution. This process only began several weeks ago. Many more months are required to solve what is not a small problem. The newspaper publishing industry is committed to continuing its efforts to this project.

Sincerely,

Doug Penner, President
Manitoba Community Newspaper Association

Paul Robson, Publisher
Winnipeg Sun

Bruce Rudd, Publisher
Winnipeg Free Press

Rob Forbes, Publisher
Brandon Sun

Ken Jones, Controller
Winnipeg Free Press

Tim Silversides, Business Manager
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EXECUTIVE SUMMARY

The Waste Reduction and Prevention Committee on Old Newspaper (ONP) considers that a goal of 25% recovery of newsprint consumed in Manitoba by 1993 can be achieved. This would require a doubling of the existing collection and marketing capacity for post-consumer ONP and post-commercial newsprint waste.

The Committee sees the newspaper publishing industry participating in four key areas to encourage municipal solid waste reduction efforts:

1. Promotion of ONP collection programs, depot locations and consumer recycling guidelines.

2. Increasing the level of post-commercial waste recovery through the development of a program to recover unsold newspapers.

3. Development of a reporting system to monitor the level of newsprint consumed and the recovery rate of post-commercial and post-consumer materials.

4. Cooperation in the establishment of regional recycling facilities and collection programs through the development of a collection and marketing intermediary.

At the present time, the newspaper publishing industry, by itself, is not able to put forward the total solution for increased waste reduction for old newspaper and newspaper supplements in Manitoba. It recognizes its responsibility to build solutions and to work cooperatively with other stakeholders and government to develop an efficient, cost effective collection and marketing system.

There are significant barriers to increasing the capacity of the old newspaper recovery system and to achieving a high level of recovery of ONP and post-commercial newsprint in the province. Improved monitoring and dissemination of information is essential to more fully assess the approaches being undertaken before new investment is made to any specific collection approach. In order to expand the volume of post-consumer material recovered, consideration of market limitations should be made and controlled expansion of community collection programs should take place.

The complexity of the problem requires the adoption of long-term, medium-term and short-term strategies, recognizing the different conditions to be satisfied. The long term objective is to develop a sustainable, market driven solution to the recovery and recycling of old newspaper and associated products. In the medium-term a series of activities can be undertaken to contribute to meeting this long-term objective, including local market development and the establishment of a "collection and marketing intermediary" to facilitate the development of a regional collection and handling infrastructure.

Recycling of post-commercial printing waste will continue to be an important aspect of newspaper production, and is an area directly under the control of newspaper publishers. In the short-term, immediate action can be taken to increase the recovery and recycling of post-commercial waste. Winnipeg newspaper publishers estimate current post-commercial recovery to be at 70%. The industry has established a target of increasing this level to 80% by 1992.

The greater challenge is in recovering, recycling and reusing post-consumer material, including old newspaper which rely on the cooperation of other stakeholders. Continued cooperative efforts will be required to build on the energies and experience of existing businesses and grassroots efforts to overcome the unique barriers facing Manitoba in its goal to achieve a 50% reduction in municipal solid waste by the year 2000.

There is concern about the economic viability of the newspaper publishing industry in Manitoba. The cost of expanded collection and handling facilities must be evaluated in relation to offsetting revenues. If subsidization is necessary, a formula should be determined for sharing the costs between newspaper publishers, insert producers, municipalities and the provincial government. It was determined that any program should be operated, at least, as a break even proposition.

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THE WRAP PROCESS

In June 1989, the Minister of Environment, the Honourable J. Glen Cummings set out a challenge for Manitobans to accomplish a 50% reduction in the volume of solid waste going to waste disposal grounds by the year 2000. In June 1990 the Minister of Environment released the Recycling Action Committee's Waste Minimization Action Plan which included 56 recommendations and an implementation strategy for the Minister. The Waste Minimization Strategy developed by the Action Committee placed particular emphasis on strengthening responsibility within the product "distribution chain" to ensure that waste would be reduced for designated products and materials and that markets would be established for secondary materials where this was necessary.

To establish a systematic process to implement the Recycling Action Committee's recommendations the Manitoba Legislature adopted *The Waste Reduction and Prevention Act* (*The WRAP Act*) in April 1990. *The WRAP Act* was developed to establish an effective process with the necessary powers for accomplishing waste reduction objectives. Following review of the RAC recommendations to ensure that the new legislation was consistent with the proposed strategy, the Manitoba Government proclaimed *The WRAP Act* in August 1990.

The Waste Reduction and Prevention Act specifically empowers the Minister of Environment to develop regulations calling on "producers or groups of producers to develop, submit and implement waste reduction and prevention plans". Consistent with the desire to develop cooperative and non-regulatory solutions prior to any formal adoption of appropriate regulations, the Minister of Environment, under the authority of *The Waste Reduction and Prevention Act*, established the Waste Reduction and Prevention Committee on Old Newspaper (ONP) in January 1991. The Committee was established to provide advice on the collection and recycling of old newspaper and newspaper supplements and to provide a process for "distributors of products or materials with the potential to become waste" to report on how they will fulfil their responsibilities to minimize waste and exercise stewardship for their products. Three other WRAP Committees were established within the same time frame to address used lubricating oil, used beverage containers and used tires.

The procedure followed by Manitoba Environment for the development of the WRAP Action Plan for ONP ensures public consultation and accountability, as outlined in the provincial WRAP Strategy Report released April 1991. Stakeholders and the general public may review both the WRAP Committee terms of reference and its reports. There will be full consultation on regulatory initiatives.

Recognizing the critical role of other stakeholders in the process of determining and achieving waste reduction targets, the Committee has been explicitly requested to identify appropriate roles for these stakeholders. Input from other stakeholders will also be requested by the Minister and the Committee's report will be distributed to other stakeholders for comment. The Minister of Environment will respond to the WRAP Committee Report and accompanying consultations to provide direction on the adoption and implementation of the WRAP Action Plans for ONP.

ONP AS A PRIORITY MATERIAL

Approximately 34,000 tonnes of newsprint and over 17,000 tonnes of groundwood papers are consumed in Manitoba annually in the distribution and production of newspapers and flyers. Coloured flyers and stapled inserts are currently unacceptable to certain local markets and are considered to be a contaminant in existing municipal collection programs and must be removed from the recycling stream. With consideration for existing recycling efforts, which are estimated to recover between 10 and 12% of this amount from post-commercial and post-consumer sources, this material represents between 3 and 5% of the solid waste stream.

Increased recycling of waste paper will help to conserve forest resources, generate business activity and can significantly reduce the amount of recyclable paper entering the waste stream in Manitoba. The Manitoba Recycling Action Committee recommended the development of a waste reduction plan and the setting of a high waste reduction target for newspapers to the Minister of Environment following an extensive province-wide consultation process which was completed in May 1990.

The following criteria were considered by Manitoba Environment to determine the four initial priority materials to come under the WRAP process:

- Proportion of the product or material in a waste disposal ground
- Toxicity or the problems created in a waste disposal ground
- Level of public concern
- Ease of waste reduction
- Environmental significance of the product or material.

As a result, old newspaper and newspaper inserts have been identified as a priority material for waste reduction under Manitoba's *Waste Reduction and Prevention Act*. In addition, The formation of a paper collection and marketing intermediary (CMI) has been proposed by the Manitoba Government to assist in the orderly collection and marketing of paper from all regions of Manitoba (see Appendix C). ONP will be given initial emphasis in the development of this intermediary to address ways to overcome the barriers of increased waste reduction.

The intent of *The WRAP Act* and industry consultations is to ensure that there is a "level playing field" for industry and that each industry accepts responsibility for their products or materials with the potential to become waste, including waste generated through the manufacturing process and the potential waste from the consumption of their product. Emphasis has been placed on the major volume components. Other stakeholders need to be identified to ensure that all those distributing similar products within the province are held accountable. This includes materials that are imported into the province, as well as those manufactured and distributed in the province.

This initial report of The WRAP Committee on Old Newspaper reports on the industry stakeholders' perspective on what would constitute an appropriate waste reduction target and how this target can be achieved. It responds to the Terms of Reference that were laid out by the Minister of Environment in establishing the Committee (see Appendix A).

For additional information, contact:

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REPORT OF THE WRAP COMMITTEE ON OLD NEWSPAPER

INTRODUCTION

The newspaper publishing industry by itself is not able to put forward the total solution for increased waste reduction for old newspaper and newspaper supplements in Manitoba. It recognizes its responsibility to build solutions and to work cooperatively with other stakeholders and government to develop an efficient, cost effective collection and marketing system. The newspaper publishing industry has continually strived to reduce its in-house waste as a means of reducing newspaper publishing costs. Recycling of post-commercial printing waste has and will continue to be an important aspect of newspaper production. While not totally in its control the newspaper publishing industry and associated businesses can be a part of the solution to develop a system to increase the recovery of post-consumer material. Substantial support has been provided to grassroots recycling efforts through free promotion and forgone revenues from traditional industry recycling efforts.

The WRAP Committee process is recognized as a key component of the solution. Continued cooperative efforts and investment will be required to build on the energies and experience of existing businesses and grassroots efforts to overcome the unique barriers facing Manitoba in its goal to achieve a 50% reduction in municipal solid waste by the year 2000.

The complexity of the problem requires the adoption of long-term, medium-term and short-term strategies. The long-term (3-5 year) objective put forth by the ONP Committee is to develop a sustainable solution that would establish a viable recovery and recycling system for old newspaper and associated products. Ideally, in the opinion of the Committee this should be a market driven solution.

In the medium-term (2-3 years) a series of activities can be undertaken to achieve the long term objective. These activities include, local market development, the establishment of a "collection and marketing intermediary" to facilitate the development of a regional collection and handling infrastructure, the investigation of new market opportunities, the establishment of a monitoring program to independently verify ONP volumes entering the waste stream and the level of ONP recovery.

In the short-term (1-2 years) immediate action can be taken to increase the recovery and recycling of post-commercial waste by the newspaper publishing industry and in cooperation with other stakeholders, government and municipalities the development of an expandable collection and recycling system for post-consumer waste based on regional needs and resources to meet existing market capacity.

The ONP Committee does not presume to speak for all members of the publishing industry and has put forth these recommendations for consideration by other stakeholders not represented on the Committee. Further cooperative efforts are required with all representative firms of the product group to ensure all stakeholders are treated on an equal basis and work together to achieve the objectives of increased waste reduction.

TAKING RESPONSIBILITY

The Committee recognizes that waste reduction activities can be controlled within the publishing plant, but that control is lost when the newspaper passes to the consumer. The publisher has the responsibility and the potential to influence the return of post-consumer ONP, but cannot absolutely control it. The consumer and municipal governments also have a stake in the level of waste reduction that can be achieved. Within the plant increased post-commercial waste reduction can be achieved. Establishing a program to encourage the return of unsold newspapers to the printing plant from news dealers can significantly increase the level of recovery. It is possible to achieve a high level of reduction of post-commercial waste but we cannot be certain of a high reduction level of post-consumer material. Each potential waste source requires a separate strategy.

The Committee sees the newspaper publishing industry participating in four key areas to encourage municipal solid waste reduction efforts:

1. Promotion of ONP collection programs, depot locations and consumer recycling guidelines.

2. Increasing the level of post-commercial waste recovery through the development of a program to recover unsold newspapers.

3. Development of a reporting system to monitor the level of newsprint consumed and the recovery rate of post-commercial and post-consumer materials.

4. Cooperation in the establishment of regional recycling facilities and collection programs through the development of a collection and marketing intermediary.

ISSUES AND RELATED PROBLEMS

An informal structure for the collection and recycling of ONP has developed in Manitoba. The structure is made up of a mix of private firms, non-profit groups and municipal governments collecting and transporting limited amounts of ONP to markets. Various products are manufactured from ONP and other waste paper types within the province, including new newsprint and building products such as cellulose insulation, roofing board and roofing felt.

There are significant barriers to increasing the capacity of this system and to achieve a high level of recovery of ONP and post-commercial newsprint in the province. Coloured flyers and stapled inserts are currently considered to be a contaminant in existing municipal collection programs and must be removed from the recycling stream. Local market prices for ONP vary between 0 - $100.00 per tonne depending on the market application and quality of the delivered material.

Barriers to ONP Recycling

There are a number of initiatives underway to recover post-consumer materials in Manitoba with varying degrees of success. A number of barriers limiting ONP recycling in Manitoba have been identified. These include:

- Limited markets and low market value relative to large scale costs of collection, sortation and transportation.
- High quality requirements of local markets requires extensive sortation.
- High labour and handling costs to remove potential contaminants (coloured flyers, staples, plastics, sticky labels etc.).
- Small volumes of ONP being collected and inadequate material handling and storage facilities on a regional basis.
- Lack of coordination among grassroots and community collection efforts and limited commitment to waste reduction from municipal councils in some areas.
- Insufficient support for "grassroots" recycling and collection efforts.
- Insufficient information on material volumes and flows, limited understanding of market systems and inadequate assessment of regional opportunities for waste reduction.

Information Needs

The newspaper publishing industry has financially supported and co-operated fully with the Resource Recovery Institute's pilot curbside recovery initiative. Little information was received by the publishers on the cost or the effectiveness of the program. Improved monitoring and dissemination of information is essential to more fully assess the approaches being undertaken before new investment is made to any specific collection approach.

Additional research is required to adequately assess the development of an ONP recycling infrastructure and the establishment of a collection and marketing intermediary. Additional data is certainly required on the material components and volumes in the waste stream. The identification of all industry and non-industry stakeholders, material volumes and flows on a regional basis, rural vs urban generation rates, household generation figures, levels of material imports and exports, recovery rates and end use are important pieces of information that need to be developed in order to monitor the effectiveness of recovery programs and to determine the level of financial support, if necessary that would be required for program expansion. The development of a business plan and associated costs for a collection system are dependent on this information.

TARGETS

The current recovery rate for post-commercial and post-consumer newsprint waste in Manitoba is estimated to be 10%. It is reasonable to expect that a goal of 25% recovery of newsprint consumed in Manitoba can be achieved in the medium term. This would represent the recovery and marketing of approximately 13,000 tonnes of ONP by 1993, which will require a doubling of the existing collection and marketing system.

It is currently estimated that the recovery rate of post-commercial waste by the newspaper publishers in Winnipeg is at 70%. The industry has established a target to increase this

level to 80% by 1992. This will be accomplished by establishing a system to receive unsold newspapers from news dealers for recycling.

Markets in Manitoba

The first priority should be to develop a system that can support the existing markets and expand as new markets come on stream (see Appendix B). The Abitibi-Price newsprint mill in Pine Falls, Manitoba is seen as the primary market for clean uncontaminated ONP and has potential for new market capacity. It is estimated that the Pine Falls mill is currently purchasing an estimated 4,000 tonnes of ONP per year from various recycling operations. The mill would require increased material handling capabilities to achieve a stated maximum level of 8,000 tonnes of ONP per year without de-inking. With the degree of product export, and outside market requirements for recycled content the Pine Falls mill may be forced into de-inking in the future or out of business. The ONP Committee recognizes increased recycling capacity at Abitibi-Price, Pine-Falls as the best solution to increasing the ONP recovery level in Manitoba. Current market values would have to increase to have a market driven solution to cover the increased cost of collection, transportation and sortation of the additional tonnage to meet the capacity of Pine Falls.

Elsewhere

New planned de-inking facilities at Thunder Bay, Ontario and elsewhere, and North American trends in ONP demand and pricing would appear to offer the opportunity for increased markets in the short to medium term. Major de-inking facilities generally require less stringent quality requirements for delivery of ONP due to appropriate handling and screening technology to deal with potential contaminants in the incoming material.

SOLUTIONS

Building a Sustainable Solution

There is concern about the economic viability of the publishing industry in Manitoba. The cost of expanded collection and handling facilities must be evaluated versus increased revenues. If subsidization is necessary, a formula should be determined for sharing the costs between newspaper publishers, insert producers, municipalities and the provincial government.

Short term solutions for both post-commercial and post-consumer collection must not exceed local market limitations until alternative markets come on stream. The possibility of joint collection programs with the soft drink industry or other paper product distributors should be investigated in terms of cost savings. The Committee recommends that more than ONP should be taken into consideration in the development of a collection system. The distributors of flyers and other papers would also have to share in their responsibility so there was no competitive edge among competing businesses. Ways of incorporating existing municipal collection programs should be investigated for long term recovery of higher volumes.

Economic Feasibility

It was determined that any program which is implemented should be at least a break even proposition. The level of program subsidization, if required at all, could not be determined at this stage.

Regional Collection and Recycling Infrastructure

The collection and recycling of old newspapers should be addressed on a regional basis. The unique requirements and economics for collection and transportation requires a regional assessment to identify the most appropriate end use for the material. For example it may be better to process and use the material in a specific region for animal bedding or establish a composting system that would be able to effectively recycle the newsprint rather than transport the material long distances to market.

A regionalized collection network system is seen as an effective means to maximize ONP collection to meet existing market conditions. The establishment of a regionalized network also would increase the economies of scale and simplify the task of transportation arrangements, price stabilization or other details that would be necessary to attain a high level of material recovery. Other recyclable materials could also be incorporated into regional collection and handling facilities if desired. Involvement of the grassroots organizations, municipal councils and provincial government would also be required. A variety of municipal collection program approaches would fit into this concept as long as the regional facility could accept the material collected to meet market demand. Once the material is delivered to the central location the ONP would be upgraded to market requirements, baled and delivered to market. Once ONP recovery has been established in a specific region other paper types could be included in the system as the market warrants.

Winnipeg

Versatech Industries, a sheltered business that employs a large number of mentally handicapped, has been contracted to handle the post-commercial waste generated by the Winnipeg Free Press and the Winnipeg Sun printing operations.

Post-consumer material is currently being recovered through a variety of recycling depot programs and curbside collection programs in Winnipeg and other communities throughout Manitoba. The majority of the material in Winnipeg is processed through Versatech Industries and until recently the Resource Recovery Institute. In order to expand the volume of post-consumer material, consideration of market limitations should be made and controlled expansion of community collection programs should take place. The material handling facilities at Versatech Industries require upgrading. This initiative will also increase employment opportunities for the handicapped. The newspaper publishing industry is committed to working cooperatively in supporting this initiative.

Rural

Expansion of successful recycling operations such as the Pembina Valley Recycling Network, Arc Industries, Selkirk, the animal bedding program in Carberry and others should be investigated. There is also considerable potential for composting old newspaper and flyers with other organic waste.

COLLECTION AND MARKETING INTERMEDIARY

The formation of a collection and marketing intermediary (CMI) has been proposed by the Manitoba Government to assist in the orderly collection and marketing of paper from all regions of Manitoba. A financial commitment of $200,000 from the Environmental Innovations Fund has been made to establish this agency for the 1991/92 fiscal year. ONP has been given initial emphasis in the development of this intermediary.

The committee recommends that this money could be used to support key areas to assist in the development of the overall collection and recycling infrastructure, including:

1. Market research, information gathering and monitoring;
2. Technical support for infrastructure and market development;
3. Financial contribution to support private initiatives;
4. Capital investment for regional collection and material handling efforts including the City of Winnipeg.

There is a need for the provision of on-going coordination and input to develop the program in the short term. The establishment of a Board with representatives from the publishing industry, government and others that would oversee system development is recommended.

The areas of responsibility for system development could include:

1. Identification of new market opportunities.
2. Establish a material collection, handling and storage process.
3. Promote involvement of community groups and municipalities.
4. Responsibility for monitoring and reporting on progress and goals.
5. Information gathering, coordination and development of implementation and business plans.
6. Assessment of the problem over a six month period.
7. In the short term - maximize the amount of material flows.
8. Identify central collection problems and benefits.
9. System development would be a three year activity.

The Committee recommends that the $200,000 should be allocated over a three year period. This would provide a short term commitment to sustain system development. The money could be allocated to a fund with a budget for year one of $50,000. The Committee does not feel that the goal of establishing a CMI and implementing a comprehensive recovery program can or should be achieved in one year. The development of the collection and marketing infrastructure is not a one year project. A coordinated step wise approach is needed.

CONTINUED COMMITMENT

Manitoba does not have the severe waste disposal problems or high disposal costs of many other regions which are more involved in landfill diversion projects. In the current economic climate, we should be taking controlled steps in a positive direction to the ultimate long term solution which the industry feels must be market driven. We should not be jumping into a solution which is twice as costly as the problem.

The committee participants must continue working together and include other stakeholders (Abitibi-Price, Versatech Industries, municipalities, etc.) in discussions to evolve the best

solution which will take many more months to solve. The newspaper publishing industry is committed to continuing efforts to this project and encouraging waste reduction initiatives through promotion of recycling programs and consumer education.

During our current difficult economic period it will be difficult to take on a project and find investment money, but there are things that can be done in the mean time. The ideal situation would be for private enterprise to set up the marketing and collection system. Consumers would be asked to cooperate by bringing material to a collection point.

If financial contributions to the system are required, they will have to be made by all stakeholders and each stakeholder assessed on an equitable basis. Materials or products that are not readily recyclable, such as coloured flyers or coated paper which must be removed from the ONP recycling stream would also have to contribute to the recycling system, as sortation may be a significant factor in marketing ONP.

There will have to be an evolution of the system and a base tonnage will have to be developed to establish the recycling infrastructure so larger volumes can be recycled in the future. The development of markets and market information will ultimately reach the point of interesting an entrepreneur to market the material. All stakeholders need to be involved and a package put together to interest private enterprise.

RECOMMENDATIONS

The WRAP Committee on Old Newspaper has identified a number of initiatives that can be undertaken to increase the level of old newspaper and post-commercial waste recovery in Manitoba. The Committee recommends that:

Short-Term

1. The newspaper publishers establish a program to encourage the return of their unsold newspapers to the printing plant or designated processing centre(s) for recycling.

2. Newspaper publishers encourage waste reduction efforts on a regional basis through assistance in promotion of recycling activities.

3. In co-operation with Manitoba Environment and other stakeholders a reporting system is developed and implemented to monitor the level of newsprint consumed and establish the annual recovery rate for post-commercial and post-consumer waste materials.

4. Improved monitoring and data collection and information dissemination be undertaken to more fully assess the various waste reduction approaches.

5. Additional research be undertaken to adequately assess the development of an ONP recycling infrastructure and the establishment of a collection and marketing intermediary.

6. Additional data on material flows and volumes be developed and all industry stakeholders be identified.

7. Discussions be undertaken between the Government of Manitoba and Abitibi-Price to determine the requirements for additional recycling capacity at the Pine Falls mill and that Abitibi-Price be requested to report on their intentions for recycling in Manitoba.

8. Consideration of market limitations should be made and controlled expansion of community collection programs should take place to keep pace with market capacity.

Medium-Term

9. An overall recovery goal of 25% of newsprint consumed in Manitoba be established for 1993. Winnipeg newspaper publishers will undertake to achieve a recovery rate of 80% of post-commercial waste by 1992.

10. More than ONP should be taken into consideration in the development of a collection system. The possibility of joint collection programs with the soft drink industry and other paper product distributors should be investigated in terms of cost savings.

11. The collection and recycling of old newspapers should be addressed on a regional basis to take advantage of the unique requirements and economics of collection and transportation to implement the most appropriate system and identify end use opportunities for the material available in a particular region.

12. Manitoba Environment and the newspaper publishing industry should work co-operatively with municipal governments, Versatech Industries and other regional recycling efforts to develop regional processing centres for ONP.

13. The $200,000 committed by the Government of Manitoba to the establishment of a paper collection and marketing intermediary should be allocated over a three year period, with a budget for year one of $50,000.This money should be used to support key areas in the development of the overall collection and recycling infrastructure.

Long-Term

14. Controlled steps should be undertaken in a positive direction towards the ultimate long term solution of a market driven collection and recycling system.

15. If financial contributions to the system are required, they will have to be made by all stakeholders and each stakeholder assessed on an equitable basis. A formula for establishing contribution levels and a separate fund should be established. The formula should establish a means for sharing costs between newspaper publishers, insert producers, and the provincial and municipal governments among others.

APPENDIX A

COMMITTEE TERMS OF REFERENCE

TERMS OF REFERENCE
FOR A
WASTE REDUCTION AND PREVENTION COMMITTEE
ON OLD NEWSPAPERS

WHEREAS old newspapers and newspaper supplements are a major contributor to the volume of waste going to landfill in Manitoba;

WHEREAS there is an estimated 30 - 45,000 tonnes of newsprint and old newspaper waste generated in Manitoba each year with potential as a marketable commodity;

WHEREAS a number of collection mechanisms and markets presently exist for old newsprint and new markets are under development;

WHEREAS the Government of Manitoba is committed to establishing a Paper Collection and Marketing Intermediary to facilitate the collection of paper products including Old Newspapers (ONP) and newspaper supplements;

WHEREAS the *Waste Reduction and Prevention Act* empowers the Minister of Environment to develop regulations calling on "producers or groups of producers to develop, submit and implement waste reduction and prevention plans" for materials they distribute in the Province of Manitoba;

THEREFORE, the Minister of Environment, under the authority of the *Waste Reduction and Prevention Act*, hereby establishes a committee to provide advice on the collection and recycling of old newspapers and newspaper supplements and provide a process for "distributors of products or materials with the potential to become waste" to report on how they will fulfil their responsibilities to minimize waste and exercise stewardship for their products.

PURPOSE

To advise the Minister of Environment on the best methods for establishing a collection and marketing system for old newspaper in Manitoba to achieve a high rate of waste diversion for old newspapers, supplements and flyers.

TERMS OF REFERENCE

The Terms of Reference are as follows:

- Set an acceptable waste reduction target for ONP, including an implementation timetable.
- Develop a strategy and report on an acceptable waste reduction initiative for ONP recycling in Manitoba which incorporates the plans of individual industry groups.
- Develop recommendations on the establishment of a Paper Collection and Marketing Intermediary.
- Recommend an acceptable monitoring methodology to ensure targets are being met.
- Identify appropriate roles for non-industry stakeholders in achieving high return rates.
- Recommend a course of action to the Minister.

COMPOSITION

The composition of the WRAP Committee on Old Newsprint shall include representatives of the following industries and groups:

Brandon Sun
Manitoba Community Newspaper Association
Winnipeg Free Press
Winnipeg Sun

CHAIRPERSON

The Committee shall be chaired by Jerry Spiegel, Director General, Planning and Innovation Division, Manitoba Environment.

STAFF SUPPORT

Jim Ferguson, of Manitoba Environment, will provide technical support for the committee. Administrative support will also be provided.

COSTS

Costs associated with report preparation and direct committee-related expenses shall be reimbursed by Manitoba Environment. All costs must have Committee approval before being incurred.

Travel costs for scheduled meetings shall be the responsibility of the sponsoring organization.

MILESTONES

The Committee shall complete and submit its report to the Minister no later than April 5, 1991.

APPENDIX B

ONP MARKETS

CURRENT ONP MARKET SITUATION IN MANITOBA

There are a number of markets available for ONP in the Manitoba region and a variety of secondary material firms and community groups suppling these markets in various ways. Two newsprint manufacturers are located in the region. Newsprint is also imported from other manufacturers. The existing market situation is summarized in the following Table.

- **NEWSPRINT PRODUCERS**
  - — **Abitibi-Price Inc.,** Pine Falls mill
    - Production — 470 tonnes per day (TPD) newsprint
  - — **Boise Cascade Canada Ltd.**, Kenora mill
    - Production — 860 TPD newsprint
- **MARKETS**
  - — **Abitibi-Price**
    - up to 8000 tonnes per year (TPY) clean ONP (no staples or coloured flyers)
  - — **Welclad**
    - 3000 TPY various paper grades, including phone books (no flyers)
    - Products: roofing and siding board
  - — **Can-Cell Industries Manitoba Inc.**
    - Cellulose insulation — 1000 - 3000 TPY
  - — **Cel-U-Fill**
    - Cellulose insulation
  - — **Sure-Save**
    - Cellulose insulation
  - — **Fripp-Fibre Forms (Tisdale, SK)**
    - Molded egg flats from ONP (Limited volumes from Manitoba, primary market is Saskatoon for supplies)
  - — **Domtar**
    - Roofing felt - 65 TPD
    - Consumes 1 -2 million lbs per month (450 Tonnes) of mixed low grade paper, some ONP mostly corrugated containers.
  - — **Other**
    - A variety of other small scale markets consume limited amounts of ONP
- **SECONDARY MATERIAL FIRMS**
  - — Winnipeg Paper
  - — Western Scrap Scrap Metals
  - — Ace Industries
- **NON-PROFIT SECTOR**
  - — Versatech Industries
  - — ARC Industries, Selkirk
  - — Resource Recovery Institute
  - — Recycling Council of Manitoba
  - — Pembina Valley Recycling Network
  - — Westman Recycling Council
  - — Portage Recycling and District
  - — Other recycling groups

New Market Potential

There appears to be substantial new market capacity being develop for ONP that may be available to Manitoba. CP Forest Products in Thunder Bay, Ontario has announced the construction of a 345 TPD de-inking facility that will process ONP and old magazines. In addition Abitibi-Price has announced it will begin construction of a de-inking facility in Thunder Bay.

Impact Packaging of Vancouver, BC is constructing a 60,000 ft^2 facility to manufacture paper trays from ONP and office grade papers in Swift Current, SK. The paper trays are intended to compete with polystyrene foam trays currently used for meat packaging. The facility is reported to be able to handle 50 TPD of waste paper.

Abitibi-Price at Pine Falls is investigating the feasibility of a project that involves the establishment of a warehouse, handling facilities, and a de-inking system that will handle 125 tonnes of ONP per day. A smaller scale alternative to this project is the establishment of a warehouse for baled ONP to feed an unused pulper at the mill. This would facilitate the current recycling system used by Abitibi-Price and increase the volume they could handle over the current system.

Another market that is considered to have potential as a use for ONP on a regional basis, but has not been done in any significant volume in Manitoba, except in the Carberry and Thompson areas is the use of ONP for animal bedding.

The development of any one of these projects would increase market capacity substantially and provide potential markets for ONP generated in Manitoba. Establishing a collection and recycling system that could be readily expanded to meet new market capacity is necessary.

APPENDIX C

COLLECTION AND MARKETING INTERMEDIARY

Collection and Marketing Intermediary

The market structure for ONP is summarized in diagram form to identify the components of the market from newsprint supply to ONP recycling ("closing the loop"). A paper collection and marketing intermediary has been added to the scenario to show how it could fit into the existing market infrastructure. Consideration of import and export material flows are required for WRAP considerations.